DIRECT INVESTIGATION REPORT

MONITORING OF PROPERTY SERVICES AGENTS BY HOUSING DEPARTMENT

August 2005

Office of The Ombudsman

Hong Kong

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Executive Summary

Direct Investigation Report on Monitoring of Property Services Agents

Introduction

As the Housing Authority ("HA")'s executive arm, the Housing Department ("HD") is responsible for managing its public rental housing ("PRH") estates. Since 1996, management of some PRH estates has been outsourced to management agents.

2. Many complaints against HD lodged with The Ombudsman's Office concern the management of PRH estates. Subsequent inquiries into these complaints reveal that HD monitoring of management agents' performance varies from estate to estate and is uneven in standard, efficiency and effectiveness. PRH residents constitute one-third of the local population. Concerned that HD monitoring of agents' performance be effective and efficient in ensuring proper tenant services, The Ombudsman initiated a direct investigation in January 2005 to examine:

(a) HD's role and responsibilities in guiding and supervising management agents in:

  (i) provision of property management services to tenants; and

  (ii) handling complaints from tenants;

(b) HD's actions, including enforcement action under the relevant ordinances, to complement the services provided by management agents;

(c) provision of training and guidance for HD staff in the management of such agents, including the respective roles and responsibilities of HD and the agents;

(d) remedial action in case of unsatisfactory performance by the agents; and

(e) efficacy of the current arrangements.

Outsourcing Strategy

Background

3. As at August 2005, HD has jurisdiction over 153 PRH estates, with approximately 590,000 domestic units. Of these, management of 84 estates with some 290,000 units has been outsourced to management agents.

4. In 1996, HD first entrusted general property management and minor maintenance works to management contractors, called "property management agents", with supervision by HD staff on site.

5. In 2000, HA introduced new contracting-out arrangements for higher cost-effectiveness and greater flexibility. Each contract to "property services companies" covered two to three estates comprising 6,000 to 10,000 domestic units, together with their ancillary shopping centre and parking facilities.

6. HD has since consolidated its lists of management contractors into one single list of property services agents ("PSAs").

Services of PSAs

7. PSAs are required to operate independently by setting up their own offices in PRH estate under their management, where HD would have withdrawn its field staff. As part of their property management (including maintenance services) and tenancy management functions, PSAs are expected to deal with all estate management-related complaints in accordance with HD internal instructions. PSAs are to attend to minor repair or maintenance works independently, without having to seek HD's prior approval. Where the service contract also covers major repair and planned maintenance works, the PSA is required to be project manager and supervise HD works contractors. Although HD retains its statutory authority and does not delegate to PSAs, it expects them to assist in the exercise of such authority.

Responsibilities of HD

8. HD supervises the PSAs. It also retains responsibility for handling special tenancy management issues such as household splitting.

Award of Property Services Contracts

9. Property services contracts are awarded through open tender. Bidders may propose their own standards against HD's key performance indicators or just adopt the minimum service standards set by HD. In evaluating tenders, HD places equal weighting on tender price and technical details.

Monitoring of PSAs

Support for PSAs

10. HD provides support to PSAs mainly through handing-over meetings and Best Practice Notes ("BPN"). However, it expects PSAs to be conversant with all HD internal circulars, instructions as well as the BPN in their day-to-day work.

Assessment Scheme

11. HD monitors the performance of PSAs mainly through an assessment scheme comprising three components:

	Component	Weighting
(a)	HD assessment	50%
(b)	Estate Management Advisory Committee ("EMAC") assessment	20%
(c)	Tenant assessment	30%
	Overall assessment	100%

HD Assessment

12. HD has a PSA Administration Unit in each of its five geographical regions. Every Unit has four to five PSA monitoring teams, each overseeing six to eight estates managed by two to three PSAs. A monitoring team comprises six to seven multi-disciplinary members. It carries out scheduled monthly inspections in each estate and assesses PSAs' performance against the standards set out in the service contracts. These monthly inspections, announced beforehand, are supplemented by surprise inspections conducted at least once a month but usually confined to specific aspects only. As a moderation mechanism, the head of each Unit reviews the monthly assessments of his teams to ensure consistency in assessment standard.

EMAC Assessment

13. PSA performance is also subject to assessment by EMACs. Membership may vary from four to over ten and includes Mutual Aid Committee Chairmen of various blocks in the estate. During their bi-monthly meetings, EMAC members assess the performance of the PSA in their estate, based on their personal impressions and any feedback they receive from other residents.

Tenant Assessment

14. In addition, HD appoints consultants to conduct quarterly surveys to gauge the level of tenants' overall satisfaction with the PSA managing their estates. For each PSA, up to 150 households are selected randomly from all estates on its schedule. Each household is interviewed by telephone for views on PSA staff, environment, security, repair and maintenance works.

PSA Review Committee

15. A PSA Review Committee, comprising Assistant Director (Estate Management) as chairman and all regional Chief Managers, meets quarterly to review the monthly HD assessments, bi-monthly EMAC assessments and quarterly tenant assessments. It then ranks all PSAs in the order of their total scores. The top 25% are allowed full tender opportunities, the bottom 25% debarred from tendering and the middle quartiles allowed limited tender opportunities in up-coming exercises.

16. The Committee also singles out the three PSAs with the lowest overall scores and the three with the lowest scores in each of the three assessment components (i.e. HD, EMAC and tenant assessment) for discussion as to whether an "adverse" report should be given. A PSA with three consecutive "adverse" reports is automatically debarred from tendering in the following six months. HD may terminate the contract if a PSA has more than three consecutive "adverse" reports.

Remedies for Unsatisfactory Performance

17. When a PSA fails to perform satisfactorily, HD may issue warning letters, give adverse ratings, interview the PSA, suspend it from tendering for up to six months, rectify the irregularity at the PSA's expense, re-enter upon the estate (i.e. HD resumes part, or all, of the management duties) or remove the PSA from the list.

Case Studies

18. We have examined some cases to gain an insight into how HD monitors PSA performance. We found that some PSAs:

(a) are weak in managing large-scale maintenance works;
(b) take too long over certain repair works;
(c) have difficulties in carrying out HD's statutory functions without the Department's support;
(d) have by default taken over HD's authority for allocation of PRH units; or
(e) are confused over its role in allocating venues for public use.

These point to the fact that HD does not give adequate support to PSAs, close enough supervision over them or timely intervention when warranted. In addition, we note that many tenants are not aware of HD's monitoring role as this has not been widely publicized.

Our Observations and Opinions

19. Our investigation has focused on whether, in outsourcing the management of PRH estates, HD recognises that it retains ultimate accountability for the provision of quality services to PRH tenants.

Support from HD

20. HD keeps its distance in managing and monitoring PSA performance. Once awarded a contract, PSAs are given only an induction briefing and some written instructions from HD. They are then expected to operate on their own without active support from HD. This is so, even though the contracts require PSAs to execute PRH policies, a function quite unique and different from private estate management.

Essentially, PSAs have to deliver services while learning to adjust to public sector practices through actual operation.

21. Furthermore, as HD has retained its statutory authority, PSAs have no legal backing for such operations as clearance of illegal hawkers and eviction of tenants. Nor is active support from HD always available when difficulties arise.

22. Given the complexity of some of HD's policies and internal instructions, we suggest that it is not sufficient for HD to rely on BPN and induction briefings to "train" PSAs for HD's statutory functions. Nor is it realistic to expect all PSAs (regardless of experience) simultaneously to learn on the job and to work entirely on their own. As for HD staff training, regular interactive seminars and discussions are necessary for updating and sharing experience. Adequate and regular briefings, positive support and as appropriate physical backup, should also be extended to PSAs to facilitate their proper discharge of duties, particularly where statutory authority is involved.

Supervision of Maintenance Works

23. HD staff have acknowledged that many PSAs lack the necessary experience and expertise to deal with HD works contractors and to handle works orders in accordance with HD procedures. We consider that HD should seriously review the requirement for PSAs to supervise or manage major repairs and planned maintenance works. If this is to continue, HD must provide proper support and adequate guidance to PSAs, particularly at the initial stage of the management contract. HD should review and streamline its works procedures for PSAs' efficient operations and effective supervision of HD contractors.

Monthly Inspection

24. The effectiveness of HD assessment of PSA performance through monthly inspections is impaired by undue emphasis on form over matter, absence of contact with tenants and prior announcement. We believe that surprise inspections would reflect the field situation much better than pre-arranged visits and should be a separate and an

important component for assessment of PSAs.

25. Given the diverse backgrounds of monitoring team members, guidance for consistency and uniformity of assessment standards is of paramount importance for fair and equitable assessment of PSAs. We are concerned that standards of actual assessment of PSA performance lack consistency among the assessors in different monitoring teams and across regions. In addition to the issue of BPN, instructions and guidelines, we consider that regular forums for the monitoring teams should be held to review practices, exchange views and promote common understanding.

EMAC assessment

26. We have observed a number of anomalies:

(a) EMAC weighting in the total assessment score is the same regardless of size or representativeness of an EMAC;

(b) its scores can be quite extreme; and

(c) its assessment is based largely on the members' personal impressions.

Tenant assessment

27. The sample size for the quarterly tenant surveys is limited to only 150 households per PSA, irrespective of the number or population size of the estates managed by the PSA. The aim is an overall assessment of tenants' satisfaction with **each PSA** across all estates in its portfolio. We suggest that such surveys should also cover tenants' satisfaction with the PSA's performance in **each estate** in its portfolio.

28. In this connection, we note that the number of complaints on PSA-managed estates received by HD headquarters is considerably higher than that on HD-managed estates (e.g. 209:131 for the period January to March 2005). This is at variance with the figures from HD's Public Housing Opinion Surveys, which show a tenant satisfaction level of 65.1% for PSA-managed estates in 2004. HD should, therefore, analyse the number and nature of the complaints received to help identify the

weaknesses and strengths of individual PSAs, the needs of tenants in different estates and any deficiencies in the survey methodology.

Overall scores

29. The deficiencies of the current assessment scheme are also reflected in the marginal difference between the scores of PSAs in the top and the bottom quartiles. In one case we studied, the lowest score was 45.85 and the highest only 53.77; and yet these form the basis of HD's consideration for future engagement of the PSAs.

30. To eliminate obvious bias in the assessment scheme, we consider that HD should conduct an early review including, but not limited to, the weighting of each component.

HD Performance in Monitoring

31. HD completely withdraws its staff from an estate once a PSA has taken over the management. Consequently, tenants may not be aware that HD still retains ultimate control and responsibility over estate management matters. When confronted with complaints from tenants, some HD staff conveniently shield themselves behind the property services contracts and pass the blame to the PSA concerned.

32. Some HD staff do not see it their role to train or guide PSAs; others are, quite rightly, concerned that too much direct involvement would be tantamount to doing PSAs' job. We consider it necessary for HD's distance monitoring to be reinforced with staff awareness that the Department is ultimately accountable for the management of PRH estates.

Dealing with unsatisfactory performance

33. In theory, PSAs with more than three consecutive "adverse" reports are liable to contract termination. Yet, this has never happened. HD just issues repeated warnings or debars the offending PSA from tendering for new contracts. In the past five

years, there was only one single case of partial "re-entry", in which HD took over the maintenance works portion of the contract concerned. We suggest that HD should terminate PSA contracts in serious cases of non-performance and resume part, or all, of its management duties.

Conclusions and Recommendations

34. We endorse outsourcing as capable of delivering efficient, flexible and cost-effective tenant services in PRH estates. We also accept that it would not be realistic or reasonable for HD to supervise every detail of PSA operations or to deal with all tenant requests or complaints directly. However, given HD's ultimate responsibility for the management of PRH estates, HD should be firmer, more positive and more proactive in monitoring PSA performance to ensure quality services to tenants. HD should give PSAs proper guidance and active support where appropriate (e.g. in enforcement matters).

35. In this context, The Ombudsman makes the following recommendations for HD's consideration:

Principle of Accountability

(a) To impress upon staff, through written instructions, briefings and training, that HD continues to discharge statutory functions not delegated to PSAs and remains ultimately responsible for overall PRH management;

(b) To enhance publicity to promote proper awareness and understanding of HD's role in monitoring PSAs and responsibility in PRH management;

Support to both HD and PSA staff

(c) To formulate guidelines and procedures for HD staff on the extent and timing of intervention or support to PSAs;

(d) To update HD instructions and BPN regularly to ensure that they are comprehensible and comprehensive, meeting current needs;

(e) To organize regular briefings, seminars and forums for HD staff and PSAs to enhance their understanding of HD guidelines, procedures and instructions;

Supervision of Maintenance Works

(f) To review and streamline its works procedures to facilitate PSA operations;

(g) To evaluate more carefully, in the selection of PSAs, tenderers' aptitude for PRH maintenance works;

(h) To organize training for PSAs on HD works procedures;

(i) To consider ways to facilitate PSAs' effective control over HD works contractors;

(j) To exercise re-entry when necessary;

Assessment and Remedies

(k) To conduct surprise inspections more frequently to cover all aspects and to include their findings and scores as a separate and important component of the overall assessment;

(l) To review the Department's moderation mechanism to ensure consistency of assessment standards in general;

(m) To organize regular forums for monitoring teams to share experience and to promote common understanding;

(n) To analyse carefully the number and nature of complaints received in assessing tenants' satisfaction level and PSA performance;

(o) To review critically –

(i) the weighting of EMAC assessment and ways for counter-checking and moderating members' extreme scores; and

(ii) the methodology for the tenant surveys to cover tenants' satisfaction level for **each PSA** and in **each estate**;

(p) To devise effective measures to deal with non-performing PSAs and to carry out such measures decisively whenever necessary.

Present Position

36. HD generally agrees with our conclusions and recommendations. It has already started to implement some of them.

37. The Ombudsman appreciates HD's positive response.

Office of The Ombudsman
August 2005

LEGEND OF ABBREVIATIONS

BPN	Best Practice Notes
CPSD	Commercial Property Sub-division
DTMO	District Tenancy Management Office
EMAC	Estate Management Advisory Committee
EMD	Estate Management Division
HA	Housing Authority
HD	Housing Department
KPI	Key Performance Indicators
MBO	Management Buy-Out company
PMA	Property Management Agent
PRH	Public Rental Housing
PSA	Property Services Agent
PSC	Property Services Company
PSC Admin Manual	Property Services Company Administration Manual
PSM	Property Services Manager
VDS	Voluntary Departure Scheme

1

INTRODUCTION

BACKGROUND

1.1 About one-third of Hong Kong's population live in public rental housing ("PRH") estates of the Housing Authority ("HA"). The Housing Department ("HD"), as HA's executive arm, implements its policies and strategies. Under the Housing Ordinance, Cap 283, HA and HD are responsible for developing, constructing, renting and managing PRH estates. As from 1996, management of new PRH estates has been outsourced. Since 2000, the pace of outsourcing has been stepped up for higher cost-effectiveness and greater flexibility.

1.2 As at August 2005, HD has jurisdiction over 153 PRH estates with approximately 590,000 domestic units. Of these, management of 84 estates with some 290,000 units has been outsourced by contract to property services agents ("PSAs"). A list of all PRH estates, with those managed by PSAs highlighted, is at **Annex 1.**

1.3 A substantial number of complaints against HD lodged with The Ombudsman's Office concern the management of PRH estates. Inquiries into these complaints reveal that HD monitoring of PSAs' performance varies from estate to estate and is uneven in standard, efficiency and effectiveness. As PRH residents

constitute a large proportion of the local population, The Ombudsman is concerned that HD monitoring of PSAs' performance is effective and efficient in ensuring proper tenant services.

1.4 Against this background, The Ombudsman decided to initiate a direct investigation under section 7(1)(a)(ii) of The Ombudsman Ordinance, Cap 397. On 5 January 2005, the Permanent Secretary for Housing, Planning and Lands (Housing) was informed of the decision.

AMBIT

1.5 This direct investigation examines:

(a) HD's role and responsibilities in guiding and supervising PSAs in-
   (i) provision of property management services to tenants; and
   (ii) handling complaints from tenants;

(b) HD's actions, including enforcement action under the Housing Ordinance, to complement the services provided by PSAs;

(c) provision of training and guidance for HD staff in the management of PSAs, including the respective roles and responsibilities of HD and PSAs;

(d) remedial action in case of unsatisfactory performance by

PSAs; and

(e) efficacy of the current arrangements.

METHODOLOGY

1.6 This Office has examined relevant information including HA committee papers, departmental guidelines, instructions to staff and PSAs, bulletins and practice notes for staff, file records and assessment reports. We have visited estates under different PSAs and met with HD staff from the headquarters and in districts, from directorate members to Housing Officers.

1.7 Members of the public were invited to give comments and suggestions from 20 January to 19 February 2005. No submission has been received.

INVESTIGATION REPORT

1.8 On completion of our direct investigation, we sent the draft report on 30 June 2005 to the Permanent Secretary for Housing, Planning and Lands (Housing) for comments. These were received on 4 August 2005. This final report was issued on 30 August 2005.

2

OUTSOURCING STRATEGY

PRIVATE SECTOR INVOLVEMENT STRATEGY

2.1 Since starting to outsource its estate management to PSAs in 1996, HD has been steadily extending the scope of such outsourcing. In 1996, HD first entrusted general property management and minor maintenance works to management contractors, called "property management agents" ("PMAs"). HD staff continued to be based in such estates, for close supervision of the PMA and other duties including tenancy management.

2.2 In 2000, HA adopted a strategy for greater private sector involvement to save costs, enhance efficiency and raise flexibility in estate management and maintenance services. The scope of outsourced services was expanded for some, to include major repairs and planned maintenance works. The scale of individual contracts was increased to cover two to three estates comprising 6,000 to 10,000 domestic units, together with ancillary shopping centres and car parking facilities. Companies awarded such contracts were then styled "property services companies" ("PSCs").

2.3 With the implementation of the Voluntary Departure Scheme ("VDS") for staff in 2000, HD required companies bidding for service contracts at that time to recruit at least 20% of their staff from ex-HD employees. Management Buy-Out companies ("MBOs"), formed by ex-HD employees, were also encouraged to bid for service contracts through restricted tender. With the cessation of VDS in 2003, all such preferential treatment for ex-HD staff ceased.

2.4 HD has since consolidated its lists of management contractors into one single list. For simplicity, we shall refer to them as "PSAs".

SCOPE OF SERVICES

Services of PSAs

2.5 Broadly speaking, the management of PRH estates covers two main aspects:

(a) property management; and
(b) tenancy management.

2.6 Property management involves the provision of building management and maintenance services while tenancy management includes the enforcement of the Housing Ordinance, tenancy agreements and the implementation of housing policies.

2.7 The PSA is required to act as the one-stop shop for tenants and members of the public on all matters relating to the PRH estate. It is to operate

independently, set up its own office in each estate, from which HD has withdrawn its field staff, and carry out minor repair or maintenance works without HD's prior approval. It is responsible for day-to-day property management (e.g. cleansing and security services), simple tenancy matters (e.g. intake of new tenants, issue of keys and collection of rents) and liaison with local organizations such as Estate Management Advisory Committees ("EMACs") and District Councils and with Government departments. The PSA is expected to run the PRH estate as if it were a private estate. However, it is to comply with HD procedures and instructions on administrative and financial arrangements as well as HD performance pledges.

2.8 For PSAs with project management experience, the scope of services also covers major repairs and planned maintenance works. In such case, the PSA is required to be project manager responsible for:

- preparing drawings, plans and tender specifications;
- selecting contractors from HD's lists of term or registered contractors;
- recommending tenders for approval and award by HD; and
- supervising contractors for satisfactory completion of works on time and within budget.

2.9 According to HD, delegation of statutory authority to PSAs, though not impossible, is legally not advisable. However, HD expects PSAs to assist in the exercise of such authority, a typical example being enforcement against illegal hawking. All property services contracts require PSAs to "keep the estate free from illegal hawking activities". On tenancy matters, PSAs are expected to prepare cases for tenant eviction and related documents for HD's approval and to provide manpower

support to HD staff in eviction exercises. With regard to housing allocation, PSAs also help HD to allocate replacement units to existing tenants.

Responsibilities of HD

2.10 In a PRH estate managed by a PSA, HD retains responsibility for the following functions:

(a) handling of special tenancy management issues, e.g. household splitting, transfer, addition and deletion of residing family members;
(b) actions requiring the exercise of statutory powers, e.g. clearance of illegal hawkers, eviction of tenants and handling of tenant appeals;
(c) administration of rent policies;
(d) chairmanship of EMACs in promoting landlord and tenants relations;
(e) explanation of housing policies to tenants; and
(f) supervision of PSAs.

A list detailing the duties of HD and the PSA in a PRH estate is at **Annex 2.**

AWARD OF PROPERTY SERVICES CONTRACTS

2.11 Property services contracts are awarded through an open tender system. Companies intending to bid for HD's property services contracts have to apply for inclusion in the PSA list. PSCs and MBOs with good track records can also apply for transfer to the list.

2.12 PSAs are listed in two groups according to their eligibility to tender for certain contract sizes:

- Group PS1
  for contracts for a portfolio of not more than 4,000 domestic units, excluding project management services;
- Group PS2
  for contracts for a portfolio of up to 70,000 domestic units, with or without project management services.

2.13 HD evaluates tenders with equal weighting on tender price and technical details including staffing proposal, past performance and management proposal. An extract from a management proposal form is at **Annex 3**. The bidder may volunteer higher standards against HD's key performance indicators ("KPI") or just adopt the minimum service standards required of PSAs. Further information about the tender procedures is at **Annex 4**.

SUPPORT FOR PSAs

Handing over

2.14 Once a contract is awarded, there is a two-month period for the in-coming and out-going PSAs to hand over outstanding matters. Meetings between the two PSAs are arranged and presided by a Property Services Manager ("PSM") of HD, who helps to work out a list of outstanding jobs and facilities, equipment and office records for handing over.

HD Circulars

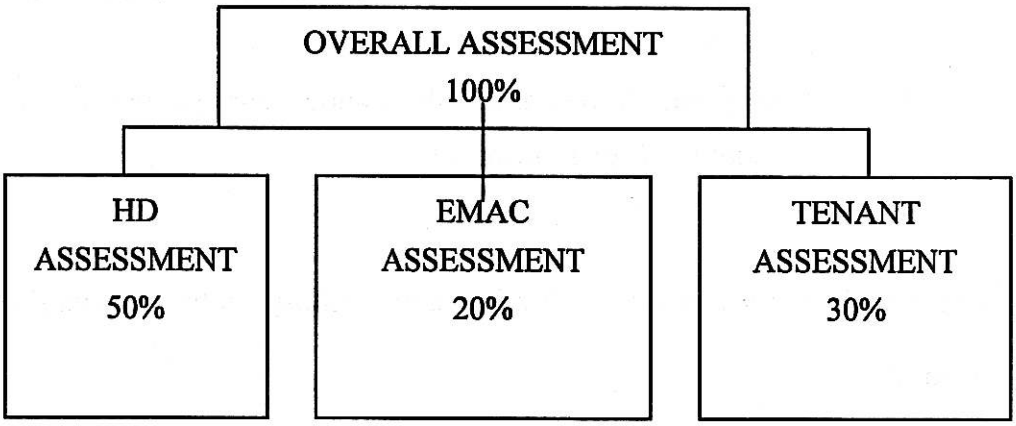
2.15 PSAs have access to all HD internal circulars, instructions and Best Practice Notes ("BPN") on property management through HD's intranet system. In this context, HD expects PSAs to be conversant with all of them and capable of full compliance in their day-to-day work. In the light of experience gained in managing the performance of PSAs, HD issues BPN to both HD staff and PSAs for better understanding of their respective roles and responsibilities. About 40 sets of such BPN have been issued, covering such subjects as interpretation of contract terms, procedures for certain works, time-frame for specific actions and reports.

3

MONITORING OF PSAs

ASSESSMENT SCHEME

3.1 Under the strategy for outsourcing, HD staff involvement is not required in the day-to-day management and maintenance of the estates. They are to monitor the performance of PSAs mainly through an assessment scheme comprising three components as follows:



HD ASSESSMENT

3.2 HD staff carry out assessment in accordance with the procedures laid down in the Property Services Company Administration Manual ("PSC Admin Manual"), supplemented by BPN.

Organization

3.3 HD's Estate Management Division ("EMD") oversees five geographical regions, each headed by a Chief Manager. Each region has one PSA Administration Unit, headed by a Senior Property Services Manager ("Senior PSM"), underpinned by four to five PSA monitoring teams. A typical monitoring team comprises six to seven multi-disciplinary members, including Clerks of Works, Building Services Inspectors and Housing Officers / Assistant Housing Managers. Each team oversees six to eight estates, managed by two to three PSAs. The team leader is a PSM, who may be a Housing Manager, a Maintenance Surveyor, a Building Services Engineer or a Structural Engineer, and carries responsibilities as follows:

(a) to lead the team to manage property services contracts and act as the single point of contact for estates and PSAs under his team; and

(b) to carry out performance audit control, surprise inspections and assess PSA performance.

The chain of command for the monitoring teams is illustrated by the simplified chart at **Annex 5.**

3.4 Where tenancy matters and retail facilities are involved, the District Tenancy Management Office ("DTMO") and the Commercial Property Sub-division ("CPSD") also take part in monitoring.

Monthly Inspection and Performance Assessment

3.5 The monitoring team carries out scheduled monthly inspections in each estate. The visit takes a whole day. Each team member is assigned to examine certain aspects of the contract. The examination covers all records kept by the PSA, building services installations, PRH units and common areas, progress of outstanding works and general condition of facilities. The PSM leading the team has to follow up any items outstanding from previous inspections or issues raised by EMAC members. Senior managerial staff of the PSA are present to assist the monitoring team.

3.6 The team assesses the PSA's performance on an assessment form by giving scores against standards set out in the service contracts. An extract from the assessment form is at **Annex 6**. The PSA is provided with a copy of the completed form and is required to propose plans for rectifying any irregularities in the following week. To ensure uniformity and consistency of the standard of performance assessment, the Senior PSM reviews and moderates the monthly assessments of his teams. EMD would issue BPN on the best practices adopted by HD and PSAs in individual processes.

3.7 DTMO and CPSD similarly but separately conduct monthly inspections and assessment on services within their purviews. All the scores are sent to the Senior PSM for collation and submission to HD headquarters on a quarterly basis. HD assessment guidelines as given in the PSC Admin Manual are at **Annex 7**.

Surprise Inspections

3.8 The procedures for surprise inspections are outlined in the PSC Admin

Manual, supplemented by BPN. Surprise inspections are conducted at least once a month, more often if necessary (e.g. to monitor serious deficiencies). But usually, examination is confined to specific aspects only such as environmental control, maintenance works progress and irregularities from the last inspection. Again, scores are given and the PSA is required to propose remedial measures within one week.

EMAC ASSESSMENT

3.9 Since 1995, HD has established an EMAC in each PRH estate, essentially to advise the Housing Manager / PSM and to reflect tenant feedback. Its responsibilities are detailed in **Annex 8**. EMAC is chaired by the Housing Manager / PSM to facilitate HD's monitoring of tenants' views and complaints. Its membership can range from four to over ten and includes Mutual Aid Committee chairmen of various blocks in the estate. It meets bi-monthly, with the PSA management in attendance to report on estate management matters, answer queries and respond to complaints.

3.10 EMAC members assess the performance of the PSA in their estate, based on their personal impressions and any feedback they receive from other residents. Completed assessment forms from members are returned to the PSM in sealed envelopes at EMAC meetings. The scores are then collated by the PSM and submitted to HD headquarters. EMAC scores account for 20% of the overall assessment. A sample of the EMAC assessment form is at **Annex 9**.

TENANT ASSESSMENT

3.11 Since 2000, HD has appointed consultants for quarterly surveys to gauge the level of tenants' overall satisfaction with the management of their estates. Up to 150 households are drawn by stratified random sampling from all estates on each PSA's schedule. Each household is interviewed for ten minutes by telephone for views on PSA staff, environment, security, repair and maintenance works. A sample of the questionnaire for a tenant survey is at **Annex 10.** The findings are summarised and presented by the consultant to HD. The tenant survey scores account for 30% of the overall assessment.

REVIEW COMMITTEE

3.12 HD has set up a PSA Review Committee, chaired by the Assistant Director (Estate Management), with all regional Chief Managers as members. Its responsibilities are listed at **Annex 11.** In its quarterly meetings, the Committee reviews the monthly HD assessments, bi-monthly EMAC assessments and quarterly tenant assessments. It then compiles a "league table" ranking all PSAs in order of their total scores.

3.13 Those in the bottom 25% would be debarred from the forthcoming tender. The Committee will single out the three PSAs with the lowest overall scores and the three PSAs with the lowest scores in each of the three assessment components (i.e. HD, EMAC and tenant assessment) for discussion as to whether an "adverse"

report should be given. Where necessary, the chairman will write to the PSA concerned on its poor performance, highlighting the seriousness of the situation and urging for improvement. The PSA management may have to attend an interview with the chairman or the regional Chief Manager to address its shortcomings and necessary improvement. A PSA with three consecutive "adverse" reports is automatically debarred from tendering in the following six months. Moreover, HD may terminate the contract if a PSA has more than three consecutive "adverse" reports.

3.14 Conversely, the top three PSAs of the "league table" are given letters of appreciation. PSAs in the top 25% are allowed to tender for all up-coming contracts, thus enjoying full tender opportunities. Other PSAs (in the middle quartiles) are allowed to bid in only part of the up-coming tender exercises, thus having only limited tender opportunities. In other words, PSAs are offered business opportunities commensurate with their performance. An example of a PSA league table with allocation of tender opportunities is at **Annex 12.**

3.15 In its quarterly meetings, the Review Committee also deals with complaints and appeals from PSAs with "poor" scores. Its decisions are final.

REMEDIES FOR UNSATISFACTORY PERFORMANCE

3.16 When a PSA fails to perform satisfactorily, HD can take one or more of the following actions:

(a) warning letter;

(b) interview by PSM;

(c) adverse rating by the Review Committee;

(d) interview by the Review Committee;

(e) suspension from tendering for up to six months;

(f) HD rectifying irregularity at the expense of the PSA;

(g) re-entry upon the PRH estate (i.e. HD resumes part, or all, of the management duties specified in the contract for the estate); and

(h) removal of the PSA from the list.

COMPLAINTS HANDLING

3.17 Tenants may complain to the PSA, their EMAC members, the PSM, HD hotline or headquarters. Complaints received by the other parties are usually referred to the PSA for processing. The PSA is expected to deal with all estate management related complaints in accordance with HD internal instructions. Complaints received and actions taken are recorded in a central register kept by the PSA. The PSA monitoring team monitors the progress of the PSA's action to resolve complaint.

3.18 If a complaint is specifically about the PSA's performance or a problem is reported in the media or referred to HD by a Legislative Councillor, the PSM will investigate and reply to the complainant direct.

4

CASE STUDIES

4.1 We have studied 22 cases for insight into how HD monitors PSA performance. Eight are summarized below for illustration.

A. Case of poor refurbishment works

4.2 PSA "A" took over the management of an estate in September 2002. One of its duties was to carry out in-flat maintenance works in domestic units prior to sale to tenants under the Tenants Purchase Scheme. "A" did not process tenants' requests promptly, resulting in a huge backlog. Since early 2003, the PSA monitoring team had found deficiencies in building works and "A" was required to take remedial action. Tenants also complained of slow progress, lack of follow-up action on unfinished works and poor workmanship of completed works. At one time, there were over 100 outstanding requests.

4.3 In March 2003, HD started issuing warning letters to "A", pointing out its failure to achieve the standards stipulated in the contract and reminding "A" to take immediate action to rectify the deficiencies. In addition, "A" was interviewed. At EMAC meetings, members also complained of the poor performance of "A". The case was discussed by the Review Committee quarterly, followed by more adverse rating, further interviews and repeated warnings. By the end of 2004, HD had issued

16 warning letters to "A" but to no avail. In November 2004, HD re-entered (i.e. resumed and took over) the building maintenance works portion of the contract and directly supervised the maintenance works. Staff costs payable to "A" under the contract were deducted accordingly.

4.4 We consider that HD should have intervened much earlier.

B. Case of illegal hawking

4.5 The contract required PSA "B" to keep an estate free from hawkers. In August 2003, upon receiving complaints of illegal hawking activities, HD requested "B" to take action. "B" claimed to have set up a dedicated team to clear such activities but without success. HD warned "B" that if HD staff took enforcement action, the staff cost would be recovered from "B". "B" explained that it had no authority to arrest the hawkers or seize the goods. Eventually, HD sent in its hawker control unit.

4.6 Illegal hawking is often a difficult problem, even for enforcement authorities. The failure of "B", without legal powers, to clear such hawkers is no surprise.

C. Case of noise nuisance

4.7 Since early 2002, both PSA "C" and HD had been receiving complaints from tenants about noise nuisance late at night caused by customers of a cooked food stall. There were also allegations of gambling activities in the

passageway around the stall. On HD advice and instruction, "C" conducted numerous patrols and gave verbal advice to the noisy customers. "C" also warned the owner of the stall, verbally and in writing, not to occupy the passageway. Furthermore, it posted notices forbidding gambling activities. However, these actions were to no avail. After two years, in March 2004, HD issued a warning notice to the cooked food stall that if the situation was not rectified, it would be notified to quit under the terms of tenancy. Since then, there has been marked improvement.

4.8 This is another instance of a PSA being unable to effect enforcement without the necessary legal authority.

D. Case of allocation of replacement PRH units

4.9 PSA "D" should answer to a DTMO for matters of allocating replacement PRH units to existing tenants. However, in practice, "D" made recommendations on such matters to HD's allocation section direct and the latter invariably accepted its recommendations without checks or questions. Staff of "D" cancelled allocations merely on standard reasons which might not reflect the real or exact situation.

4.10 HD had by default delegated authority to "D" for allocation of PRH units when "D" should only be providing executive support to HD.

E. Case of broken skylight and glass door

4.11 In April 2003, a skylight in a shopping centre was broken. It was not replaced until February 2005, because PSA "E" took time to find a suitable replacement panel and to negotiate the price. Meanwhile, the glass door at the entrance of the shopping centre was damaged in December 2004. "E" took four months to complete the repairs. These affected the appearance of the shopping centre and caused great inconvenience to shoppers. On receipt of a complaint about "E"'s laxity, HD interviewed "E" and recorded the delay in the assessment report.

4.12 We consider that HD should have intervened when "E" was found incapable of completing the repair works within a reasonable period.

F. Case of allocation of venues for activities

4.13 A tenant of an estate complained against HD for inadequate supervision over PSA "F", who had allocated open spaces within the estate for seven months for exclusive use by two individuals for promotional activities, thereby depriving other eligible persons of the right to use those venues. HD thought that as guidelines had already been issued to "F" and the PSA was run by ex-HD staff, there was no need for the Department to bother about such venue booking matters.

4.14 However, we found that the guidelines related to fund-raising activities only and were thus not applicable to this case. Furthermore, HD should not have allowed "F" to allocate venues provided by valuable public resources without due regard to common interests.

G. Case of lack of publicity

4.15 A tenant complained against HD for not monitoring the performance of PSA "G", which had been slack in carrying out maintenance works on the flush water supply.

4.16 In fact, HD had a monitoring mechanism, but it was not widely publicized to PRH tenants. HD should have informed tenants clearly of its monitoring role and the channel available for complaints and opinions to the Department.

H. Case of an exemplary PSA

4.17 PSA "H", with experience in management of public estates, has been receiving top ratings from the monitoring team in three consecutive quarters, excelling in the following aspects:

(a) Strong back-up from company headquarters for front-line staff – Whenever necessary, its head office would provide additional professional or manpower support to site staff to resolve problems.

(b) Familiarity with HD works processes and employment of qualified and experienced professionals – Maintenance works programmes were on time and satisfactory.

(c) Good financial and accounting practices – Payment records were always proper and up-to-date.

(d) Close rapport with HD – Prompt attendance to reported irregularities and to instructions from HD staff.

(e) Ability to maintain stability and high quality in staff posted to

estates.

(f) Dedicated efforts in liaison with EMACs and tenants, creating trust among parties.

4.18 The engagement of a robust and responsible PSA like "H" evidently helps enormously in maximizing the benefits of HD's outsourcing efforts in saving costs, enhancing efficiency and raising flexibility.

5

OBSERVATIONS and OPINIONS

5.1 Our focus in this direct investigation is whether, in outsourcing the management of PRH estates, HD recognises that it retains ultimate accountability for the provision of quality services to PRH tenants. We shall first comment on HD's process for selection of PSAs and arrangements for transferring estate management duties to the selected PSAs. Comments on HD's monitoring mechanism will follow. Finally, we shall assess HD's performance in monitoring PSAs.

SELECTION PROCESS

5.2 HD has prudently devised procedures for selecting PSAs (para. 2.13). Though some of the PSAs so far selected may lack the aptitude for managing maintenance works, we consider that HD's tender evaluation has, on the whole, duly covered all the important considerations, i.e. price, experience, aspirations and capability. The system is fair and equitable.

SUPPORT FROM HD

5.3 The outsourcing policy is fine in principle and the selection process generally healthy. However, not every PSA is able to deliver the requisite services. This is explained below.

5.4 We wonder if it is realistic or reasonable for HD to expect PSAs to operate on their own without active support from the Department. The contracts require PSAs to execute PRH policies, a function quite unique and different from private estate management. Yet, PSAs are basically given only an induction briefing and some written instructions from HD (paras. 2.14 and 2.15).

5.5 Over the years, HD has developed its unique management and business philosophy, work processes distinct from the private sector and voluminous operational guidelines with considerable details. PSAs familiar with HD processes and procedures, in particular its PRH policies and practices, could have a smooth start in delivering the requisite services: PSA "H" (para. 4.17) is a good example. However, such PSAs are rare. Even experienced PSAs generally have to learn to adapt, through actual operation and adjust to public sector practices. Even so, they may not have a proper understanding of established procedures on individual issues, as evidenced in Case F (para. 4.13). This affects services to tenants and may well prejudice tenant interests.

5.6 Furthermore, as HD considers it legally inadvisable to delegate its statutory authority to PSAs, (especially that for clearance of illegal hawkers and eviction of tenants, para. 2.9), PSAs are hamstrung from the outset. Without legal

backing or active support from HD in discharging these duties, it is no surprise that some PSAs have difficulties coping with such situations (Case B, para. 4.5). As illustrated in Case C (para. 4.7), PSAs cannot even tackle noise nuisance without legitimacy or such deterrent as notice to quit.

5.7 Having regard to the uniqueness of PRH estate management and most PSAs' background in private estate management, it is not realistic for HD to expect PSAs simultaneously to learn on the job and to work entirely on their own. BPN and briefings (paras. 2.14 – 2.15) cannot adequately cover even common eventualities. Regular interactive seminars and discussions akin to those for HD staff training are necessary. Positive support and physical backup where appropriate, in particular when statutory authority is involved, have to be extended to PSAs to facilitate their proper discharge of duties.

SUPERVISION OF MAINTENANCE WORKS

5.8 We were informed in various meetings with HD staff that PSAs are generally weak in managing maintenance works. HD staff have acknowledged that many PSAs lack the necessary experience and expertise to deal with HD works contractors and to handle works orders in accordance with HD's procedures. In Case A (paras. 4.2 - 4.3), HD had to exercise its right to take over part of the contract.

5.9 We consider that HD should seriously review the current practice of requiring PSAs to supervise or manage major repairs and planned maintenance works. If this is to continue, HD must provide proper support and adequate guidance to PSAs,

particularly in the early days of the contract. Although PSAs have delegated authority to supervise HD works contractors, the latter are employed by HD and may not consider it necessary to answer to PSAs (para. 2.8). This has resulted in some PSAs having difficulties supervising HD contractors in accordance with HD procedures (para. 5.8). HD should review and streamline its works procedures for PSAs' efficient operations and effective supervision of HD contractors in the interest of the tenants they serve.

MONITORING MECHANISM

Monthly Inspection

5.10 As regular checks, monthly inspections by the PSA monitoring teams are useful for update and continuing follow-up on identified aspects so that due documentation may be prepared. However, a number of features impair its effectiveness:

(a) Emphasis on form over matter – HD staff have to complete numerous items meticulously in the assessment form at the expense of physically checking the matters concerned.

(b) Absence of contact with tenants – HD staff, off-site day-to-day, may not be able to verify the true state of affairs on the ground.

(c) Prior announcement of inspections – the true state of affairs may not surface.

We believe that surprise inspections would reflect much better than pre-arranged visits,

and announced as well. Surprise inspections should, therefore, be conducted more frequently to detect irregularities and verify the real field situation. Furthermore, surprise inspections should not be confined to specific aspects (para. 3.8). Instead, they should cover all matters touched by the monthly inspections. Findings from surprise inspections should be included as a separate and important score in the overall assessment of PSAs.

Consistency in HD assessment

5.11 Given the diverse backgrounds of members of the PSA monitoring teams, guidance for consistency and uniformity of assessment standards is of paramount importance for fair and equitable assessment of PSAs. This is to apply not only among different assessors but also among different monitoring teams and across regions.

5.12 We see from notes of Review Committee meetings that HD has attempted to address such concern. We commend HD for working out some measures to make for consistency. However, we do not consider the issue of BPN, instructions and guidelines an adequate solution. They should be supplemented by regular forums for monitoring teams to review practices, share experience and exchange views, and promote common understanding of their role and degree of involvement in estate matters in the monitoring process.

EMAC assessment

5.13 We have observed a number of anomalies:

(a) EMAC members can range from four to over ten (para. 3.9),

but the EMAC weighting in the total assessment score is the same, regardless of size or representativeness of an EMAC.

(b) EMAC scores can be quite extreme, some as high as 100 (full mark) or as low as 50. In comparison, HD scores range from 35 (for poor performers) to 60 plus (very good performers); similarly with tenant survey scores.

(c) EMAC assessment is based largely on personal impressions. One PSA had attributed its low score to poor relationship with the EMAC.

Tenant assessment

5.14 For tenant surveys, the sample size is limited to a maximum of only 150 PRH households per PSA, irrespective of the number or population size of the estates managed by the PSA. In this connection, we have taken professional advice from the Census and Statistics Department. The advice was that the determination of sample size does not necessarily depend on the population size alone.

5.15 We understand and accept this view. However, we note that HD's quarterly tenant surveys aim for overall assessment of tenants' satisfaction with **each PSA** across all estates in its portfolio. We suggest that such surveys should also cover tenants' satisfaction with the PSA's performance in **each estate** in its portfolio: individual estates may differ in age, size, facilities; so too, the complement and quality of PSA staff on site may vary. We, therefore, consider that HD should review the sampling method for the tenant surveys to cover this.

5.16 In this connection, we have obtained statistics on estate management related complaints received by HD headquarters as follows:

Incidence of Complaints

	PSA-managed estates	HD-managed estates
January – March 2004	188	83
April – June 2004	323	168
July – September 2004	358	126
October – December 2004	358	151
January – March 2005	361	148

Source: HD Complaints / Requests Register System

5.17 With regard to the much higher number of complaints received on estates managed by PSAs, HD has advised that the figures in fact cover not only complaints but also requests from tenants. After adjustment, the complaints for the quarter ending March 2005 should number 209 and 131 for PSA and HD managed estates respectively.

5.18 HD has added that its regular Public Housing Opinion Surveys, to assess PRH tenants' feedback, show the satisfaction level for PSA-managed estates to have risen from 48.9% in 2002 to 53.5% in 2003 and 65.1% in 2004.

5.19 We note that, even after adjustment, the number of complaints on PSA-managed estates is still considerably higher than that on HD-managed estates. This is at variance with the figures for tenants' satisfaction from the Public Housing Opinion Surveys. HD should, therefore, critically analyse the number and nature of the complaints received. This should help to identify the weaknesses and strengths of individual PSAs, for special attention or specific assistance, and the needs of

tenants in different estates as well as any deficiencies in the methodology of the surveys.

Overall scores of assessment

5.20 We question whether the present weighting in the assessment of PSA performance is fair and equitable. For instance, EMAC assessment accounts for 20% of the total score. Hence, extreme EMAC scores (para. 5.13(b)) would distort the overall assessment. Similarly, the methodology for surveys meant to gauge tenant feedback bears review for proper assessment of tenant satisfaction. HD should, therefore, review:

- the EMAC assessment;
- the tenant assessment methodology;
- their respective weighting in the overall assessment; and
- the need for reference to surprise inspections.

5.21 The deficiencies of the current assessment scheme are also reflected in the small difference between the scores of PSAs in the top and bottom quartiles. In the example cited in **Annex 12**, the highest score was 53.77 and the lowest, 45.85. As the scores affect PSAs' future business opportunities, the Review Committee often receives complaints and appeals from those with lower scores.

5.22 In sum, we consider that HD should conduct an early review of the assessment scheme including, but not limited to, the weighting of individual components. This is important as PSA performance assessment affects tenant services.

HD PERFORMANCE IN MONITORING

Distance Monitoring

5.23 HD completely withdraws its staff from an estate once a PSA has taken over the management. Consequently, tenants may not be aware that HD still retains the ultimate control. When confronted with complaints from tenants, some HD staff conveniently shield themselves behind the property services contracts and pass the blame to the PSA concerned. They practically adopt a "hands-off" approach in "monitoring" the PSAs' performance. This at times generates tenant complaints against HD for shirking its responsibilities in the management of PRH estates. Cases A, C, E, F and G cited in Chapter 4 are relevant.

5.24 Given their statutory authority and duties, HD as HA's executive must remain ultimately responsible for PRH estate management and, therefore, accountable to tenants for the services and the performance of PSAs. Despite the issue of BPN and PSC Admin Manual, this reality and realisation do not seem to permeate through all HD staff: they have different perception and varying views on the extent of their involvement in monitoring PSAs. Some expect all PSAs to be familiar with HD policies and practices, in particular PSAs with HD ex-employees. As a result, they do not see it their role to train or guide PSAs in the delivery of services (e.g. Case F (para. 4.13)). Some harbour the concern that too much direct involvement would be tantamount to doing the job for the PSAs. A few others are prepared to be more proactive in assisting PSAs to resolve tenants' complaints or difficult issues.

5.25 In brief, HD monitoring is uneven, as is PSA performance. In this

context, we cannot over-emphasize that the focus must be on services to tenants. It is, therefore, imperative that assessment should truly reflect tenant satisfaction as well as PSA efficiency and effectiveness.

Dealing with unsatisfactory performance

5.26 In theory, PSAs with more than three consecutive "adverse" reports are liable to contract termination. In reality, this has never happened. We observe that HD is wary even to exercise its contractual right of re-entry (para. 3.16). It prefers to issue repeated warnings or debar the offending PSAs from tendering for new contracts. In the past five years, there has been only one single case of partial re-entry, i.e. Case A (paras. 4.2 – 4.3), in which HD re-entered the maintenance works portion of the contract concerned. HD is reluctant to go for re-entry at all, possibly because it would take at least four months to complete a re-tendering exercise. Meanwhile, HD would have difficulties in finding its own manpower or a replacement PSA to be temporary caretaker.

5.27 For proper tenant services, HD should monitor consistently poor performers with vigour, vigilance and determination. To prevent prolonged inconvenience and suffering to tenants, HD should be able and ready to re-enter contracts when necessary. This would call for a revamping of current practices to overcome difficulties, say, by simplifying the processes for securing replacement PSAs and by suitable scheduling of the re-tendering for new PSA and terminating the present PSA.

6

CONCLUSIONS and RECOMMENDATIONS

CONCLUSIONS

6.1 We endorse outsourcing as capable of delivering efficient, flexible and cost-effective tenant services in PRH estates. However, it must be coupled with proper monitoring of PSA performance and adequate guidance to them by HD. There must also be objective criteria for PSA performance assessment and reasonable balance of weighting in such assessment. Furthermore, HD should see itself – and be seen by tenants – to remain ultimately accountable for PRH management services.

6.2 We see the relationship between PSAs and HD to be a cooperative partnership for the benefit of tenants, not just one of agent and principal in a business contract. HD should continue to discharge statutory functions not delegated to PSAs, while they relieve HD staff of day-to-day operations. We accept that it would not be realistic or reasonable for HD to supervise every detail of PSA operations or to deal directly with all requests or complaints from tenants. That would defeat the purpose of outsourcing.

6.3 However, it remains HD's role to serve PRH tenants, though through

PSAs. HD should, therefore, take a firmer and more positive, more proactive stance to ensure the quality of services by PSAs and to provide them with appropriate guidance and active support. In this context, our conclusions are as follows:

(a) HD's distance monitoring needs to be reinforced with staff awareness that the Department retains ultimate accountability for those duties in the management of PRH estates (paras. 5.23 - 5.24).

(b) Given the unique requirements of PRH estate management and the experience and expertise of most PSAs mainly with private estates, HD's monitoring of PSAs has been inadequate (paras. 5.10 and 5.23). It has also not given PSAs sufficient and timely support (para. 5.7), particularly in supervision of maintenance works (para. 5.9).

(c) Standards of assessment of PSA performance lack consistency among its assessors in different monitoring teams and across regions (para. 5.11).

(d) There are areas for obvious bias in the assessment scheme. The weighting of various components and the representativeness and effectiveness of the tenant surveys in particular need to be re-examined (paras. 5.13 - 5.22).

(e) HD should intervene and exercise its statutory authority or terminate PSA contracts in serious cases of non-performance (paras. 5.26 – 5.27).

RECOMMENDATIONS

6.4 Accordingly, The Ombudsman makes the following recommendations for HD's consideration:

Principle of Accountability

(a) To impress upon staff, through written instructions, briefings and training, that HD continues to discharge statutory functions not delegated to PSAs and remains ultimately responsible for overall PRH management (para. 5.24);

(b) To enhance publicity to promote proper awareness and understanding of HD's monitoring role and responsibility in PRH management, aimed at tenants in particular (para. 4.16);

Support to both HD and PSA staff

(c) To formulate guidelines and procedures for HD staff on the extent and timing of intervention or support to PSAs (paras. 5.6, 5.7 and 5.9);

(d) To update HD instructions and BPN to HD staff and PSAs regularly to ensure that they are comprehensible and comprehensive, meeting current needs (paras. 2.15, 3.6 and 4.13);

(e) To organize regular briefings, seminars and forums for HD staff and PSAs to enhance their understanding of HD guidelines, procedures and instructions (paras. 5.7 and 5.12);

Supervision of Maintenance Works

(f) To review and streamline its works procedures to facilitate PSA operations (para. 5.9);

(g) To evaluate more carefully, in the selection of PSAs, tenderers' aptitude for PRH maintenance works (paras. 5.2 and 5.8);

(h) To organize training for PSAs on HD works procedures (para. 5.9);

(i) To consider ways to facilitate PSAs' effective control over HD works contractors (para. 5.9);

(j) To exercise re-entry when necessary (para. 5.27);

Assessment and Remedies

(k) To conduct surprise inspections more frequently to cover all aspects, and to include their findings and scores as a separate and important component of the overall assessment (para. 5.10);

(l) To review the Department's moderation mechanism to enhance checks and balance to ensure consistency of assessment standards in general (paras. 3.6 and 5.11);

(m) To organize regular forums for PSA monitoring teams to share experience and to promote common understanding (para. 5.12);

(n) To analyse carefully the number and nature of complaints received in assessing tenants' satisfaction level and PSA performance (para. 5.19);

(o) To review critically the current components for fair and more balanced assessment of PSA performance (para. 5.22). In particular,

  (i) to review the weighting of EMAC assessment and ways for counter-checking and moderating members' extreme scores (para. 5.13); and

  (ii) to review the methodology for the tenant surveys to cover tenants' satisfaction level for **each PSA** and in **each estate** (para. 5.15); and

(p) To devise effective measures to deal with non-performing PSAs and to carry out such measures decisively whenever necessary (paras. 5.26 - 5.27).

7

FINAL REMARKS

HD COMMENTS

7.1 HD generally agrees with our conclusions and recommendations in this report. In particular, it has already decided to initiate the following new measures:

(a) to enhance publicity through television broadcast at lift lobbies in PRH estates on the role of HD and PSAs in performing various estate management duties (para. 6.4(b));

(b) to take up major maintenance works itself (so far, nine management contracts have been revised accordingly) (para. 6.4(f) – (i)); and

(c) to conduct a further study to map out effective contingency measures to deal with non-performing PSAs and to exercise re-entry when necessary (para. 6.4(j) and (p)).

7.2 Its other comments and suggestions for textual amendment have been duly incorporated in finalizing this direct investigation report.

FINAL REMARKS FROM THE OMBUDSMAN

7.3 The Ombudsman appreciates HD's positive response to our conclusions and recommendations.

7.4 Finally, The Ombudsman expresses sincere appreciation for the cooperation and assistance rendered by HD and its staff in this investigation.

Office of The Ombudsman

Ref. OMB/DI/118

August 2005

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Annex 1
(para. 1.2)

List of PRH Estates as at August 2005
(Those managed by PSAs are marked with an asterisk)

Ap Lei Chau Estate
Chak On Estate
Cheung Fat Estate*
Cheung Hong Estate
Cheung Shan Estate*
Choi Fai Estate*
Choi Wan (I) Estate
Choi Yuen Estate*
Chun Shek Estate
Easeful Court
Fu Cheong Estate
Fu Shin Estate*
Fu Tung Estate*
Grandeur Terrace
High Prosperity Terrace
Hing Tung Estate*
Hing Wah (II) Estate
Homantin Estate*
Hung Hom Estate*
Kai Tin Estate*
Kam Peng Estate*
Ko Cheung Court*
Kwai Chung Estate
Kwai Shing East Estate*
Kwong Fuk Estate*
Lai King Estate
Lai On Estate
Lee On Estate
Lei Muk Shue (I) Estate*
Lei Yue Mun Estate
Lok Fu Estate
Lok Wah (South) Estate
Lung Hang Estate
Ma Hang Estate*
Mei Lam Estate*
Ming Tak Estate*
Nam Cheong Estate*
Nga Ning Court*
Ngau Tau Kok Estate, Lower (II)
Oi Man Estate
On Tin Estate*

Butterfly Estate
Cheung Ching Estate*
Cheung Hang Estate*
Cheung Kwai Estate*
Cheung Wang Estate*
Choi Hung Estate
Choi Wan (II) Estate*
Chuk Yuen (South) Estate*
Chung On Estate*
Fortune Estate*
Fu Shan Estate*
Fu Tai Estate*
Fuk Loi Estate
Hau Tak Estate*
Hing Man Estate
Hing Wah (I) Estate*
Hoi Lai Estate
Hong Tung Estate*
Ka Fuk Estate*
Kai Yip Estate
Kin Ming Estate*
Ko Yee Estate
Kwai Fong Estate*
Kwai Shing West Estate
Kwong Tin Estate*
Lai Kok Estate
Lai Yiu Estate*
Lei Muk Shue Estate*
Lei Muk Shue (II) Estate*
Lek Yuen Estate
Lok Wah (North) Estate
Long Ping Estate*
Lung Tin Estate*
Ma Tau Wai Estate*
Mei Tung Estate
Model Housing Estate
Nam Shan Estate
Ngan Wan Estate*
Ngau Tau Kok Estate, Upper
Oi Tung Estate*
On Ting Estate

On Yam Estate
Ping Shek Estate
Po Tat Estate*
Sai Wan Estate*
Sau Mau Ping Estate*
Shek Kip Mei Estate
Shek Lei (II) Estate*
Shek Yam Estate*
Sheung Lok Estate*
Shui Pin Wai Estate*
Shun On Estate
Siu Sai Wan Estate*
Sun Chui Estate
Tai Hang Tung Estate*
Tai Wo Hau Estate
Tin Chak Estate*
Tin Shui (I) Estate
Tin Tsz Estate*
Tin Wan Estate*
Tin Yat Estate*
Tin Yiu (II) Estate*
Tsui Lam Estate*
Tsui Ping (South) Estate*
Tsz Hong Estate*
Tsz Man Estate*
Un Chau Estate*
Wah Fu (II) Estate
Wah Sum Estate*
Wan Tsui Estate*
Wo Che Estate
Wong Chuk Hang Estate
Wong Tai Sin Estate, Upper*
Yat Tung (I) Estate*
Yau Lai Estate
Yau Tong Estate*
Yue Wan Estate
Pak Tin Estate*
Ping Tin Estate*
Po Tin Estate*
Sam Shing Estate
Sha Kok Estate
Shek Lei (I) Estate*
Shek Wai Kok Estate
Shek Yam East Estate
Sheung Tak Estate*
Shun Lee Estate
Shun Tin Estate
So Uk Estate
Sun Tin Wai Estate
Tai Hing Estate
Tai Yuen Estate*
Tin Heng Estate
Tin Shui (II) Estate
Tin Wah Estate*
Tin Yan Estate
Tin Yiu (I) Estate*
Tin Yuet Estate
Tsui Lok Estate*
Tsz Ching Estate
Tsz Lok Estate*
Tung Tau (I) Estate
Wah Fu (I) Estate
Wah Lai Estate
Wan Hon Estate*
Wang Tau Hom Estate*
Wo Lok Estate
Wong Tai Sin Estate, Lower (II)*
Wu King Estate
Yat Tung (II) Estate*
Yau Oi Estate
Yiu Tung Estate

Total of PRH estates : 153
Estates managed by PSAs : 84

Source: HD papers

Annex 2
(para. 2.10)

Duties for HD and the PSA

(a) Property Management Duties

Housing Department	Property Services Agents
Pre-management	
1. Naming of estate and blocks	*1. Setting up estate management office*
2. Designation of restricted roads	2. Preparatory works for mass intakes
3. Creating housing stocks / cost centres in HD's computer system	3. Arrangements for provision of essential services – refuse collection, postal, security, etc
4. Setting standard for taking over of flats (joint inspection with New Works staff on sample wing)	4. Taking over of estate properties and follow-up on defects
Intake of Residents	
1. Reconfirming eligibility prior to intake	1. Completing intake formalities – incl. assisting tenants to apply for utility supply
2. Updating letting records	2. Handing over of flats to tenants
	3. Vetting applications and monitoring the decoration works of tenants
Day-to-day Management	
1. Attending to crisis situations (e.g. where large number of families are affected such as temporary closure of part of the building after fire, necessitating the arrangement of temporary accommodation)	1. Ensuring all services and facilities are in order 2. Daily patrol to ensure all estate properties are in proper use
2. Enforcement action against illegal hawking	3. Environmental upkeeping and control – including road control
3. Issue of fixed penalty tickets against illegal parkings	4. Dealing with complaints and enquiries
4. Chairing EMAC meetings	5. Support service to EMAC
5. Supervision of PSA performance	6. Management reports
	7. Information services to tenants
	8. Community building activities
	9. Attending District Council and other committee meetings on estate matters
Financial and Budgetary Management	
1. Budgetary control	1. Preparing operating budget
	2. Collection of fees and charges
	3. Management of expenditures within budget
2. Certifying invoices for payment	4. Preparing invoices for reimbursement
	5. Keeping accounts, stores and inventory
	6. Arranging insurance policy

(b) Tenancy Management Duties

Housing Department	**Property Services Agents**
Administration of Tenancy Agreement	
1. Rent fixing and selection of tenants	1. Rent collection and rent chasing
2. Balloting priorities of flat selection for redevelopment tenants	
3. Signing tenancy agreement on behalf of HA with tenants	*2. Assisting in letting formalities*
4. Processing applications for tenancy changes – addition, deletion, change of households, etc.	*3. Collection of application forms from tenants including preliminary checking and interviews*
5. Updating records for all tenancy changes	
6. Enforcement against tenancy abuses including serving Notice To Quit on rent defaulters, and taking eviction action	*4.* Checking tenancy irregularities and assisting in taking enforcement action
7. Dealing with appeal cases	*5. Assisting in preparing appeal papers and attending Appeal Tribunal*
8. To conduct rent review exercises (including rates rebate)	*6. Delivering notification letters on revised rents (rates rebate) to tenants*
Implementation of Housing Policies on Resources Allocation	
1. Processing applications for i. transfer of tenancy including inheritance cases ii. assisted home purchases iii. internal / external transfer	*1. Collection of application forms from tenants incl. preliminary checking*
2. Administration of Housing Policies such as Housing Subsidy Policy, Rent Assistance Scheme, etc.	*2. Collection of returned forms from tenants*
3. Arranging transfers initiated by HD for management reasons	
4. Dealing with enquiries from Government Audit, other government departments, LegCo / DC, Ombudsman, ICAC etc. on housing matters	*3. Assisting in the provision of background information on such enquiries*
Community and Social Services	
1. Referring families in hardship to SWD/NGO for assistance	1. Special services to inmates of Housing for Senior Citizens, *and elderly estate residents under the Estate Liaison Officers Scheme.*
2. Arranging transit centre accommodation for families claming homeless upon eviction	
3. Attending District Council / Area Committee meetings, open forum, seminars, etc.	

Note: (1) The above duty list is not exhaustive. Only broad classification of major tasks is shown.
(2) New property management and tenancy management duties of property services agents are shown in *Italics*.

Source: HA papers

An extract from a typical management proposal

HONG KONG HOUSING AUTHORITY
CONTRACT NO. XXXXXXXXXX
PROPERTY SERVICES CONTRACT FOR
XXXXXX ESTATE (FULL SERVICE)
MANAGEMENT PROPOSAL

Annex 3
(para. 2.13)

(A) Service Commitment (Cont'd)

Note :- Unless otherwise specified, the lowest acceptable standard stated below shall apply to all types of premises including : Domestic, Commercial and Non-Domestic

Performance Indicator			Lowest Acceptable Standard	Contractor's Proposed Higher Standard (Deemed to be lowest acceptable standard when left blank or stated as being less than the lowest acceptable standard.)
5.	Play Equipment Maintenance			
	a)	Issue of inspection works orders through PHRIS	Within 2 working days of report	
	b)	Follow up action with suppliers	Within 5 working days	
	c)	Inspection Records	Daily	
	d)	Inspection and Certification of Completed Works	Within 2 working days of report	
	e)	Fence-off unsafe/ damaged equipment and put up warning notices	Within 1 hour of discovery	
6.	Tenancy Management			
	a)	Acknowledge receipt of written complaints	Acknowledge receipt within 5 working days. An interim reply within 10 days of receipt of complaint	
	b)	Reply to written complaints/enquiries	Substantive reply within 18 days of receipt. To report progress from time to time for cases requiring more handling time	
	c)	Dealing with manned hot line calls	Next working day for non-emergency cases	

HONG KONG HOUSING AUTHORITY
CONTRACT NO. XXXXXXXXXX
PROPERTY SERVICES CONTRACT FOR
XXXXXX ESTATE (FULL SERVICE)
MANAGEMENT PROPOSAL

(A) Service Commitment (Cont'd)

Note :- **Unless otherwise specified, the lowest acceptable standard stated below shall apply to all types of premises including : Domestic, Commercial and Non-Domestic**

Performance Indicator			Lowest Acceptable Standard	Contractor's Proposed Higher Standard (Deemed to be lowest acceptable standard when left blank or stated as being less than the lowest acceptable standard.)
6.	Tenancy Management (Cont'd)			
	d)	Responding to enquiries by external parties	Within 1 working day	
	e)	Responding to complaints through HD's Complaint Forms	Within 2 working days	
	f)	Reviewing and solving outstanding complaints	Weekly	
	g)	Collect Asset Declaration Forms and Biennial Declaration Forms	From all tenants who are required to return the forms within 30 days and 60 days respectively for Domestic Premises	
	h)*	Implement Estate Action Plan	90% compliance	
	i)*	Review Estate Action Plan	Half-yearly	
	j)	Checking of vacant flats/units and service rooms	Monthly	
	k)	Flat-to-flat inspection of the conditions of premises	Every flat inspected once every 24 months	
	l)	Review follow-up action on licencee/tenant breaches	Weekly	
	*	In case of differences between the Contract and the Estate Action Plan, the provisions of the Contract shall prevail		

HONG KONG HOUSING AUTHORITY
CONTRACT NO. XXXXXXXXXX
PROPERTY SERVICES CONTRACT FOR
XXXXXX ESTATE (FULL SERVICE)
MANAGEMENT PROPOSAL

(A) Service Commitment (Cont'd)

Note :- **Unless otherwise specified, the lowest acceptable standard stated below shall apply to all types of premises including : Domestic, Commercial and Non-Domestic**

Performance Indicator		Lowest Acceptable Standard	Contractor's Proposed Higher Standard (Deemed to be lowest acceptable standard when left blank or stated as being less than the lowest acceptable standard.)
7.	Environmental Control		
	a) Clearing blocked drains	Within 4 hours of report	
	b) Keeping public toilets dry, clean, tidy and in proper repair	At all times, check at least twice daily and repairs executed within 2 days of report	
	c) Door-to-door refuse collection and disposal	Daily	
	d) Clearing rubbish and abandoned articles on corridors, lobbies, staircases, lifts, escalators, open spaces, canopies, playgrounds, flower beds, water features and common parts	Twice a day	
	e) Washing corridors, staircases, lobbies, covered walkways, water features and common parts and clearing lift pits	Monthly	
	f) Washing market	Thrice daily	
	g) Washing refuse rooms and refuse collection points	Once a day	
	h) Empty and clean litter bins, recycling bins	Once a day (Domestic and Non-Domestic Premises) Twice a day (Commercial Centre)	

HONG KONG HOUSING AUTHORITY
CONTRACT NO. XXXXXXXXXX
PROPERTY SERVICES CONTRACT FOR
XXXXXX ESTATE (FULL SERVICE)
MANAGEMENT PROPOSAL

(A) Service Commitment (Cont'd)

Note :- **Unless otherwise specified, the lowest acceptable standard stated below shall apply to all types of premises including : Domestic, Commercial and Non-Domestic**

Performance Indicator		Lowest Acceptable Standard	Contractor's Proposed Higher Standard (Deemed to be lowest acceptable standard when left blank or stated as being less than the lowest acceptable standard.)
7.	Environmental Control (Cont'd)		
	i) Inspection of the surface drainage system of slopes and clearing debris, leaves, refuse, etc. on slopes	Daily	
	j) All refuse bins covered and placed in refuse rooms/refuse collection point	At all times including daily inspection and action taken immediately	
	k) Responding to complaints about cleansing condition	• Within 12 hours of report for Domestic Premises • Within 1 hour of report for Commercial Centres and Non-Domestic Premises	
	l) Polish/Wax (i) floor tiles (ii) lift cars/escalators	• once a week (Commercial Centres) • monthly (Domestic and Non-Domestic Premises) once every two week (Commercial Centres)	
	m) Responding to requests/enquiries from Contract Administrator	Within 1 working day (immediate for urgent cases)	
	n) Surprise check on cleaning workers' performance and review on follow up action	Four times per week (between 18:00 – 09:00 hous)	
	o) Effective action and control of rodents/ mosquitoes/termites	At all times including weekly inspections and action taken within 1 day of report	

Annex 4
(para. 2.13)

Tender Procedures for PSAs

PSA list

Between 2000 and the end of 2003, PSCs and MBOs were awarded HD property services contracts. With the completion of VDS in 2003, HD established a consolidated list of PSAs. At present, companies interested in HD's property services contracts have to apply to be registered on the PSA list. In vetting such applications, HD will consider the company's track records, past experience in handling projects of similar size and in project management (for building maintenance works), and its financial capability. Those fulfilling all the criteria would be registered on the list as probationary PSAs. Subject to satisfactory performance, their registration would be confirmed after 12 months. PSCs and MBOs can apply for transfer to the list.

2. The PSA list is divided into two groups. Group 1 comprises companies eligible to tender for contracts for managing a portfolio of not more than 4,000 domestic units, excluding major project management services. Group 2 consists of companies eligible to tender for contracts for managing a portfolio of up to 70,000 domestic units, with or without project management services.

Tender Process

3. Award of PSA contracts is through open tender conducted on a quarterly basis. Gazette notices are published and companies registered on the PSA list are invited to tender. The tender documents set out in great detail the general and

special conditions of the contract and tender specifications. Briefings are held for bidders on the tender procedures and the scope of contract (i.e. the tender specifications) before tendering. Site visits are also arranged for bidders.

Management Proposals

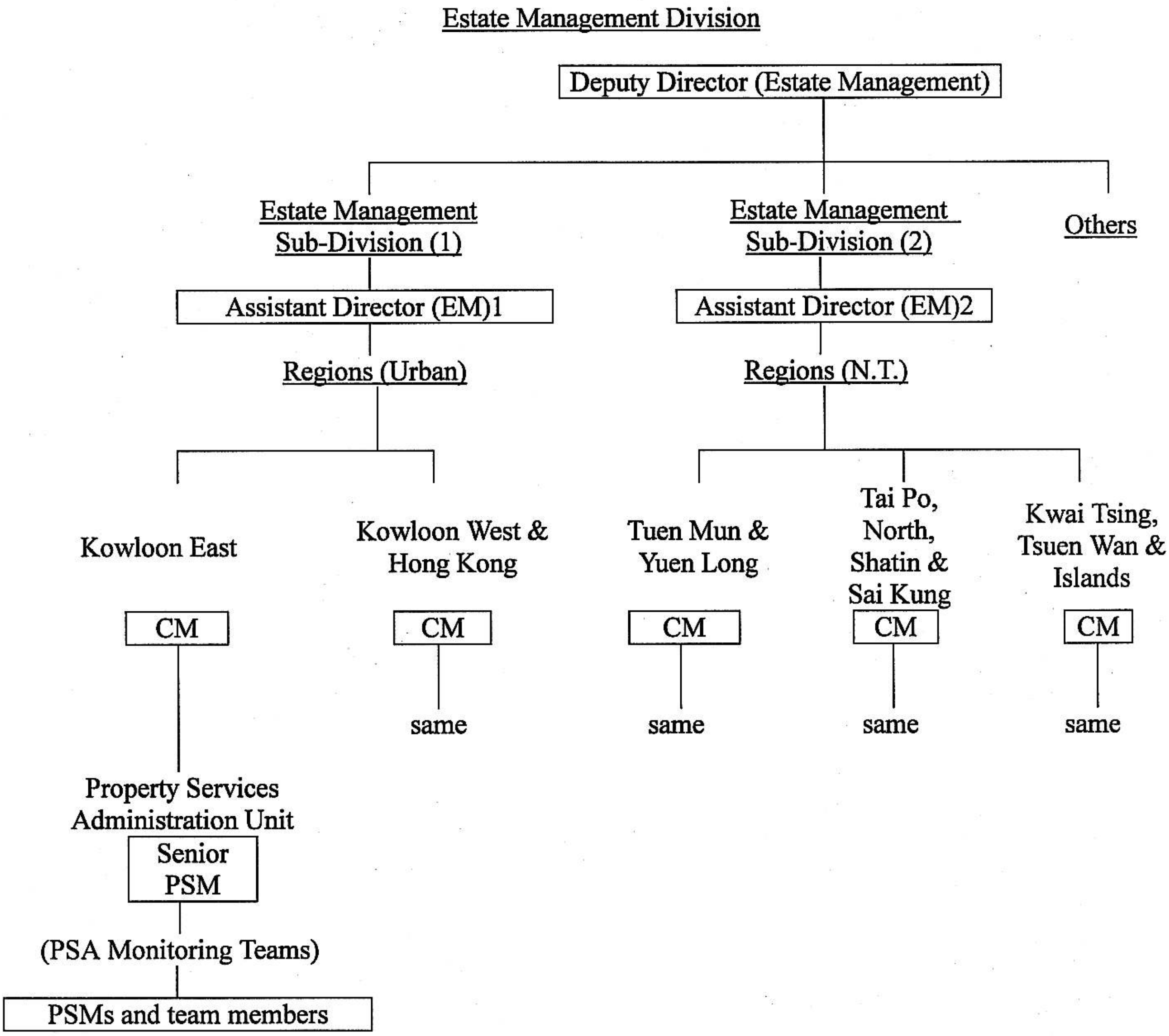
4. The bidders are required to indicate on a management proposal form their commitment of service standards (e.g. response time for tenant enquiries) against specific duties under the contract. These are the key performance indicators ("KPI") based on which HD assesses the performance of the PSAs. The standards proposed by the bidders must not be lower than HD's own service standards (provided in the tender documents). Bidders' price quotes are set out in a separate financial proposal. Again, the standard costs for each aspect of work are given in the tender document and the bidders are expected to input an adjustment percentage to those figures.

Tender Evaluation and Selection Criteria

5. As soon as tenders are closed, a tender evaluation team comprising professionals from different sections of HD's Estate Management Division ("EMD") would be formed to examine the bids. A two-envelope system with 50:50 weighting on financial and management proposals is adopted for assessing tenders. The non-financial score comprises a score each on the bidder's management proposal and past performance. Bidders pledging a higher standard of performance with good past performance would gain higher scores. The financial score is arrived at through price comparison among bidders. Those bidding a greater adjustment percentage below the standard costs would receive a higher score.

6. The Property Services Tender Vetting Panel chaired by an Assistant Director would review the tender results. Having gone through established selection procedures and approval formalities, HD will award the contract to the successful bidder. A PSA contract is for three years and re-tendering is usually conducted afterwards. HD has let ten PSA contracts in 2004, with an average of 6,230 units covered in each contract.

Chain of Command for PSA Monitoring Teams



Legend

CM	:	Chief Manager
Senior PSM	:	Senior Property Services Manager
PSM	:	Property Services Manager

Note

Each monitoring team oversees a portfolio of 6 to 8 estates covering 2 to 3 PSAs.

Source: HD papers

An extract from the HD Audit Assessment Form

Annex 6
(para. 3.6)

Property Services Contracts - Performance Monitoring

Contract: ____________________ Estate Contract No.: ____________________

Assessor: ____________________ Contractor: ____________________

Date: ____________________ Audit No.: ____________________

Item	Assessment Cat.	Contract Ref.	HA Standard	PSC Standard	PSC Report System / Records of Checking	Score	Checking Frequency	Checked by
03-01	Identifying and Reporting	PS.2.3 PS.2.4	Within the day of inspection	Same	Record		Monthly	HO
03-02	Monitoring the progress of rectifying defects	PS.2.2.1	Weekly review	Daily review	Record		Monthly	HO
03-03	Handling provisional acceptance of domestic flats prior to the anticipated construction completion date	PS.2.2.2 PS.3.2.1	Not less than 100 flats per day	not less than 200 flats per day	Checklist	NA	Monthly	HO
03-04	Input of provisional acceptance/ refusal of offers		Within 2 working	Within 1 working day	[illegible] Record	S	Monthly	HO
04-01	Completion of intake and handing over premises to tenants/ licencees	PS.3	Within the intake day	Same	Record on formalities	S	Monthly	HO
04-02	Intake level	—	Not<150 flats/day	Not<200 flats/day	checklist	NA	Monthly	HO
04-03	Input of acceptance/ refusal of		Within 2 working	Within 1 working day	Record on formalities	S	Monthly	HO
04-04	To invite waiting list applicants by sending letters for intake and to complete signing up formalities under Modified Advance Allocation System	PS.2.1	Not<100 flats/day	Not<150 flats/day	checklist		Monthly	HO
			completed within 3 wks from the date of housing stock being taken over	within 2 weeks	checklist		Monthly	HO
04-05	Handling decoration requests	PS.3.2.1	Within 2 working of requests	Within 1 working day	Application Record		Monthly	HO
04-06	Handling application for of air conditioners	PS.3.2.1	within 2 working days of request	Within 1 working day	Application Record	S	Monthly	HO
04-07	Inspection of decoration works	PS.3.4.9	All the premises are to be checked at once	At least twice	Application Record		Monthly	HO
04-08a	Removal of decoration debris/ rubbish	PS. 3.2.1	Daily	At least twice daily	Record		Monthly	PSM/HO CW/ACW
04-09	Showing tenants/ licencees show flats/ vacant units	PS.3.2.1	Within 1 hour of completion of intake formalities	Within half hour of completion of intake formalities	Record	S	Monthly	HO
06-01	Acknowledge receipt of written complaints	PS.4.6	Acknowledge receipt within 5 working days If required, an interim reply within 10 days of receipt of complaint	Acknowledge receipt within 2 working days. If required an interim reply within 5 days of receipt of complaint	Complaint Register	S	Monthly	HO
06-02	Reply to written complaints/ enquiries	PS.4.6	Substantive reply within 21 days of receipt	Substantive reply within 12 days of receipt	Complaint Enquiries register		Monthly	HO
06-03	Dealing with manned hot line calls	PS.4.6	Next working day for non-emergency cases	Same	Register on Manned hotline		Monthly	HO

Property Services Contracts - Performance Monitoring

Contract: ______________________ Estate Contract No.: ______________________

Assessor: ______________________ Contractor: ______________________

Date: ______________________ Audit No.: ______________________

Item	Assessment Cat.	Contract Ref.	HA Standard	PSC Standard	PSC Report System / Records of Checking	Score	Checking Frequency	Checked by
06-04	Attending to in person customer enquiries/ complaints	PS.4.6	Within 10 minutes	Within [illegible] minutes	Complaints/ Enquiries Register	S	Monthly	HO
06-05	Responding to enquiries by external parties	PS.4.2.1	Within 1 working day	Immediately	Register	S	Monthly	HO
06-06	Responding to complaints through HA's complaint forms	–	Within 2 working days	Within 1 working day	Register	S	Monthly	HO
06-07	Reviewing and solving outstanding complaints	PS.4.3	Weekly	Same	Complaints Register		Monthly	HO
06-08	Collect Biennial Declaration Forms/ Income/ Asset Declaration Forms	PS.4.2.1	From all tenants who are required to return the [illegible]	Same	Control Register	S	Monthly	HO
06-09	Implement Estate Action Plan	[illegible]	[illegible] Compliance	[illegible] Compliance	Estate action plans	S	Quarterly	AHM/ PSM
06-10	Review Estate Action Plan	PS.4.2.1	Half yearly	Quarterly	Record	S	Quarterly	AHM/ PSM
06-11	Checking of vacant flat/ units and service rooms	PS.4.2.1	Monthly	Weekly	Checking record		Quarterly	AHM/ PSM
06-12	Flat to flat inspection of the conditions of premises	PS.4.2.1	Every flat inspected once every 24 months	Every flat inspected once every 18 months	Control sheet		Random monthly	HO
06-13	Review follow-up action on licencee/ tenant breaches	PS.4.6	Weekly	Same	Review Record	S	Random monthly	HO
07-01	Clearing blocked drains	PS.6.4	Within 4 hours of report	Within 1 hour	Register		Monthly	HO
07-02	Keeping public toilets dry, clean, tidy and in proper repair	PS.6.2.1	At all times, check at least twice daily and repairs executed within 2 days of report	At all times, check at least twice daily and repairs executed within 1 day of report	On site inspection		Monthly	HO

Property Services Contracts - Performance Monitoring

Contract: ______________________ Estate Contract No.: ______________________

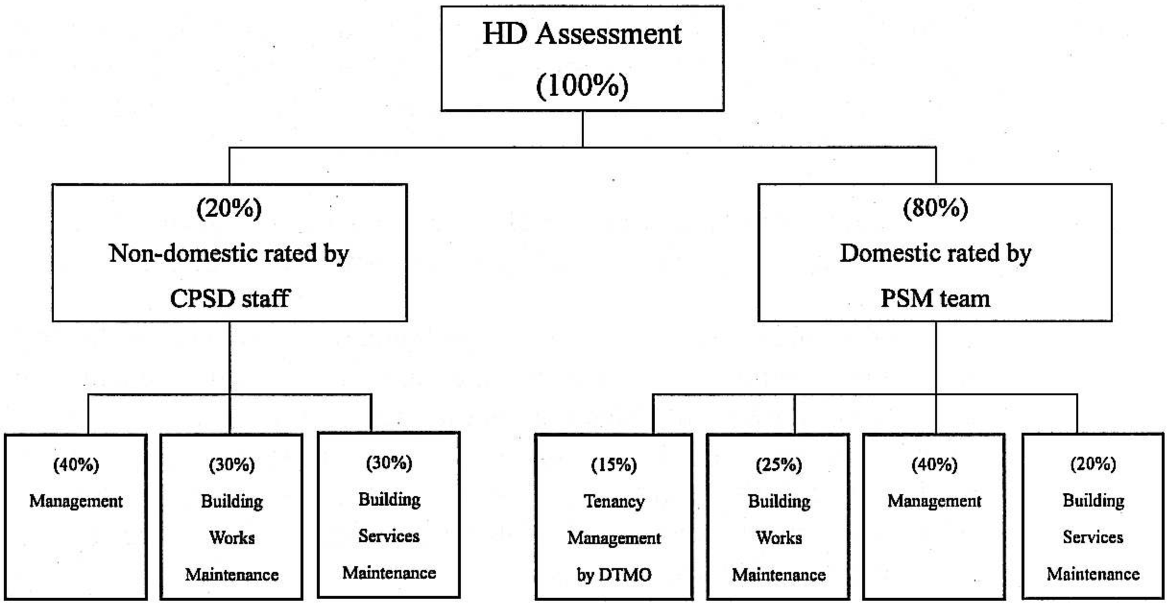
Assessor: ______________________ Contractor: ______________________

Date: ______________________ Audit No.: ______________________

Item	Assessment Cat.	Contract Ref.	HA Standard	PSC Standard	PSC Report System / Records of Checking	Score	Checking Frequency	Checked by
07-03	Door-to-door refuse collection and disposal	PS.6.4	Daily	Same	Onsite inspection	S	Monthly	HO
07-04	Clearing rubbish and abandoned articles on corridors, lobbies, staircases, lifts, escalators, open spaces, canopies, playgrounds, flower beds, water features and common parts	PS.6.4 PS.6.2.1	Twice a day	Same	On site inspection		Monthly	HO
07-05	Washing corridors, staircases, lobbies, covered walkways, water features and common parts and clearing lift pits	PS.6.4	Monthly	Bi-weekly	On site inspection		Monthly	HO
07-06	Washing market	PS.6.4	Twice daily	Same	On site inspection	S	Monthly	HO
07-07	Washing refuse rooms and refuse collection points	PS.6.4	Once a day	Twice a day	On site inspection		Monthly	HO
07-08	Empty and clean litter bins/ recycling bins	PS.6.4	Once a day (Domestic & Non-domestic premises) Twice a day (Commercial Centre)	Same	On site inspection On site inspection		Monthly	HO
07-09	Inspection of the surface drainage system of slopes and clearing debris, leaves, refuse etc. on slopes		Daily	Twice a day	Onsite inspection	S	Monthly	HO
07-10	All refuse bins covered and placed in refuse rooms/ refuse collection point	PS.6.4	At all times including daily inspection and action taken immediately	Same	On site inspection		Monthly	HO
07-11	Responding to complaints about cleansing condition	PS.6.3.1	- Within 24 hrs of report for Domestic Premises -Within 1 hr of report for C.C.&Non-dom.	- Within 2 hrs -Within 30 mins	Complaint Record Complaint Record		Monthly	HO

Annex 7
(para. 3.7)

HD Assessment



6.1.4 The assessment process by HD team shall be carried out in an independent objective, impartial and professional manner. The assessor must in all circumstances take into account all matters or situations, which are beyond the control of the PSA. The PSA shall not be penalized for the failures of others over which it has no direct control or contractual relationship.

6.1.5 All assessments shall be based upon the output of the PSA and should therefore be driven by performance rather than statistical or theoretical compliance with the contract. The assessment shall be carried out based upon the information made available by the PSA and from the assessors' own observations on the estate. Where there are circumstances or areas of the estate, which are considered to be beyond the control of the PSA, due allowance should be made in the assessment process and remarked in the assessment record. Should there be any disputes or queries as to the method adopted or the assessment scores, these should be passed to the Senior PSM for consideration.

6.1.6 Throughout this assessment process, the form shall be aimed at measuring the performance of the PSA against HD's own standards and those proposed by the PSA in its tender. It is the actual output performance, which is of the greatest importance.

6.1.7 The scores returned from each performance category shall be monitored against previous scores and bench-marked with other PSAs.

6.1.8 The assessment is inevitably a judgemental process reflecting individual opinion. However, the assessors should make his assessment based on objective factors relating to performance as observed at the time of the assessment. For instance, the assessment on Revenue Collection category shall be factual and record driven while the assessment on Maintenance shall include the actual workmanship and material on site.

6.1.9 The standard of the PSA shall be gauged against two criteria, the lowest acceptable performance standard as specified in the contract and the enhanced performance standard proposed by the PSA and accepted by HD at the tender award stage. The PSA should at all times be encouraged to enhance his performance standard over the duration of the contract.

6.1.10 The assessment process shall be commenced upon possession by the PSA of the first part of the first estate.

Source: Adapted from HD's Property Services Company Administration Manual Auditing Procedure

Annex 8
(para. 3.9)

Responsibilities of EMAC

1. To advise the Housing Manager / Property Services Manager on:

   (a) priorities of maintenance and improvement works within the estate;
   (b) proposals relating to security, orderliness and cleanliness, control over roads and carparks, noise and amenities in the estate;
   (c) the award / renewal of services contracts;
   (d) the drawing up of estate management and maintenance action plan.

2. To provide feedback and reflect tenants' views on estate management matters, including maintenance and improvement works;

3. To participate in:

   (a) appraising the performance of contractors who provide services in the estate;
   (b) organizing estate community activities.

4. Where resources are made available for the purpose, to recommend minor local improvement works and estate management activities for implementation in the estate.

Source: Adapted from Housing Authority Website

Sample of Performance Assessment Form completed by EMAC Members

Annex 9
(para. 3.10)

物業服務公司工作表現統計訪問

請細想滿意程度及圈出答案。

我想問你以下關於物業服務辦事處嘅清潔、維修保養及保安等方面嘅服務。

客戶服務

	非常滿意	幾滿意	一般/普通	唔係幾滿意	非常唔滿意	未遇過/冇意見
你對物業服務辦事處工作人員嘅效率滿唔滿意？......	5	(4)	3	2	1	9
你對物業服務辦事處職員喺處理投訴時嘅工作表現滿唔滿意？......	5	(4)	3	2	1	9
你對物業服務辦事處職員喺處理及回應查詢或建議時嘅工作表現滿唔滿意？......	5	(4)	3	2	1	9
總括嚟講，你對現時物業服務辦事處職員嘅工作態度滿唔滿意？......	5	(4)	3	2	1	9

清潔

	非常滿意	幾滿意	一般/普通	唔係幾滿意	非常唔滿意	未遇過/冇意見
你對本邨範圍內公共地方嘅清潔程度滿唔滿意？......	5	(4)	3	2	1	9
你對物業服務辦事處每日派人上樓倒垃圾嘅服務滿唔滿意？......	5	4	(3)	2	1	9
你對物業服務辦事處喺處理蟲鼠嘅工作表現滿唔滿意？......	5	(4)	3	2	1	9
你對物業服務辦事處喺處理邨內公眾地方非法小販擺賣嘅工作滿唔滿意？......	5	(4)	3	2	1	9

保安

	非常容易	幾容易	一般/普通	唔係幾容易	非常唔容易	未遇過/冇意見
當你需要協助時，你容唔容易搵到護衛員幫手？......	5	(4)	3	2	1	9
	非常滿意	幾滿意	一般/普通	唔係幾滿意	非常唔滿意	未遇過/冇意見
你對本邨喺處理非法泊車嘅工作表現上滿唔滿意？...	5	4	(3)	2	1	9
你對大廈護衛員喺登記出入人士方面嘅工作表現滿唔滿意？......	5	4	(3)	2	1	9
總括嚟講，你對大廈護衛員嘅工作表現滿唔滿意？...	5	(4)	3	2	1	9

	非常滿意	幾滿意	一般/普通	唔係幾滿意	非常唔滿意	未遇過/冇意見
D.1 你對物業服務辦事處喺管理下列四項公共設施維修保養嘅工作滿唔滿意：						
(a) 公共天線……	5	(4)	3	2	1	9
(b) 升降機……	5	(4)	3	2	1	9
(c) 消防設施……	5	4	(3)	2	1	9
(d) 保安系統，如地下大堂電閘同閉路電視……	5	(4)	3	2	1	9
D.2 你對物業服務辦事處喺管理下列室內設備維修保養嘅工作滿唔滿意：						
(a) 抽風系統……	5	4	(3)	2	1	9
(b) 食水喉……	5	(4)	3	2	1	9
D.3 你對物業服務辦事處處理去水系統故障時嘅效率滿唔滿意？……	5	4	(3)	2	1	9
D.4 你對屋內所有嘅設施(包括遊戲、康樂設施及休憩地方)嘅維修保養工作滿唔滿意？……	5	(4)	3	2	1	9

E 整體滿意程度

	非常滿意	幾滿意	一般/普通	唔係幾滿意	非常唔滿意	未遇過/冇意見
E.1 整體嚟講(包括保安、維修、管理及環境)你對物業服務辦事處嘅工作滿唔滿意？……	5	(4)	3	2	1	9

◆ 只供屋邨管理諮詢委員會委員應用 ◆

本人提供之書面報告意見如下：

____

____

本人已細閱以下備註，謹此*申明並無利益衝突，/申報利益如下：

____

____

簽署

委員姓名

職位

日期

備註：

- 根據律政司署的意見，邨管諮委會委員於履行職務時是房屋署的代理人。 根據防止賄賂條例第九條，任何代理人無合法權限或合理辯解，索取或接受任何利益，即屬犯罪。 委員請參閱香港特別行政區法例第２０１章防止賄賂條例。 防賄條例第九及第二條節錄於委員手冊附件（一）。

- 作爲邨管諮詢委員會委員，不應利用公職使他們本人、家人、親友獲得利益，或處於某種地位，致令人懷疑他們是否誠實；亦不應因擔任邨管諮委會委員的職務而出現直接的個人或金錢上的利益衝突。

- 倘委員在邨管諮詢委員會正在審議的任何事項上有直接的私人或金錢利益，他必須在發覺這情形後盡快向邨管諮詢委員會主席申報有關利益的性質。例如：他或其家人受僱於服務承辦商，他便須在發現這類情況後，盡快向邨管諮詢委員會主席申報該等利益的性質及避免評核有關承辦商之服務意見調查。

*刪去不適用者

Sample of Questionnaire for Resident Survey

Annex 10
(para. 3.11)

Resident Opinion Survey

Case	Edit
Sup	Check

填入數據後會依照保密程序處理

被訪者姓名 : ____________________　　被訪者聯絡電話 : ____________ (Tel. Code: ________)

訪問日期 : ____________________　　訪問時間 : 由__________ 至__________

訪問員姓名 : ____________________　　訪問員編號 : ____________________

PRH Estate :

Po Tat 寶達邨	0102	Sai Wan 西環邨	0707	Lei Cheng Uk 李鄭屋邨	1301	Long Ping 朗屏邨	1901
Sau Mau Ping 秀茂坪邨	0103	Siu Sai Wan 小西灣邨	0708	Tai Hang Tung 大坑東邨	1302	Cheung Fat 長發邨	2001
Tai Yuen 大元邨	0201	Kam Peng 金坪邨	0709	Tai Ping 太平邨	1303	Nam Cheong 南昌邨	2002
Sau Mau Ping (3)秀茂坪(三)邨	0202	Lung Tin 龍田邨	0710	Shun On 順安邨	1304	Tsui Lam 翠林邨	2101
Sau Mau Ping (1)秀茂坪(一)邨	0203	Ngan Wan 銀灣邨	0711	Tung Tau (2)東頭二邨	1305	Kwong Tin 廣田邨	2102
Cheung Ching 長青邨	0301	Tin Yiu (I)天耀(一)邨	0712	Ma Tau Wai 馬頭圍邨	1306	Fu Shan 富山邨	2201
Cheung Hang 長亨邨	0302	Tin Yiu (II)天耀(二)邨	0713	Lei Yue Mun 鯉魚門邨	1307	Tsz Man 慈民邨	2202
Cheung Shan 象山邨	0401	Tin Chak 天澤邨	0801	U. Ngau Tau Kok 牛頭角上邨	1308	Tsz Hong 慈康邨	2203
Kwai Hing 葵興邨	0501	Choi Wan (2)彩雲邨二期	0901	Tsui Ping (N)翠坪北邨	1401	Tsz Lok 慈樂邨	2301
Kwai Shing E.葵盛東邨	0502	Chuk Yuen S.竹園南邨	0902	Tsui Ping (S)翠坪南邨	1402	Mei Lam 美林邨	2401
Shek Lei (2)石籬邨二期	0503	Cheung Kwai 長貴邨	1201	Po Lam 寶林邨	1501	Kwong Fuk 廣福邨	2501
Cheung Wah 祥華邨	0601	Chung On 頌安邨	1202	Hau Tak 厚德邨	1502	Lai Yiu 麗瑤邨	2601
Ka Fuk 嘉福邨	0602	Oi Tung 愛東邨	1204	Shan King 山景邨	1601	Shek Lei (1)石籬邨一期	2602
Wah Sum 華心邨	0603	Pok Hong 博康邨	1205	Shui Pin Wai 水邊圍邨	1602	Kwai Fong 葵芳邨	2701
Choi Fai 彩輝邨	0704	Nga Ning Court 雅寧苑	1207	Lei Tung 利東邨	1701	L. Wong Tai Sin (II)	2801
Wang Tau Hom 橫頭磡邨	0705	Tin Yat 天逸邨	1208	Fu Shin 富善邨	1801	黃大仙下二邨	
Ma Hang 馬坑邨	0706	Cheung Wang 長宏邨	1209	Choi Yuen 彩園邨	1802	Kin Ming 健明邨	2901

<u>介紹</u>：

您好，我姓______，係　　　　　　　　　　司嘅訪問員。我哋而家受<u>香港房屋委員會</u>委託，進行一項有關管理處喺本邨嘅物業管理意見訪問。調查結果將有助房委會進一步改善屋邨管理處嘅服務質素。您所提供嘅資料會絕對保密，並且只會用作綜合統計分析。多謝您嘅合作。

<u>抽樣及過濾問題</u>

S.1　請問你府上邊位 <u>18 歲或以上</u>嘅家庭成員<u>比較清楚</u>本邨管理處嘅工作表現呢？（例如本邨喺清潔、維修保養同埋保安方面嘅服務等）

（如果沒有一位家庭成員比較清楚，請訪問戶主或 18 歲或以上自願作答者）

自己.................................1完成下列問卷

其他人...............................2邀請該家庭成員接受訪問，重覆介紹後，完成下列問卷

住戶意見訪問

訪問員注意：就每個項目追問程度及圈出答案，切勿讀出"未遇過/冇意見"。

訪問員讀出：本邨嘅管理工作外判咗俾私人嘅物業管理公司，而家我想同你傾吓關於佢哋<u>喺今年一月至而家呢三個月</u>嘅工作表現。

物業管理服務

(讀出)	非常滿意	幾滿意	一般/普通	唔係幾滿意	非常唔滿意	未遇過/冇意見（不可讀出）
A.1 你對管理處工作人員（唔包括清潔及維修工人）嘅效率滿唔滿意呢？	5	4	3	2	1	9
A.2 你對管理處職員喺處理投訴時嘅工作表現滿唔滿意呢？	5	4	3	2	1	9
A.3 你對管理處職員喺處理及回應查詢或建議時嘅工作表現滿唔滿意呢？	5	4	3	2	1	9
A.4 總括嚟講，你對現時管理處職員嘅工作態度滿唔滿意呢？	5	4	3	2	1	9

B・環境

(讀出)	非常滿意	幾滿意	一般/普通	唔係幾滿意	非常唔滿意	未遇過/冇意見（不可讀出）
B.1 你對本邨範圍內公共地方嘅清潔程度滿唔滿意呢？	5	4	3	2	1	9
B.2 你對管理處每日派人上樓倒垃圾嘅服務滿唔滿意呢？	5	4	3	2	1	9
B.3 你對管理處喺消滅蟲蟻同埋老鼠等嘅工作表現滿唔滿意呢？	5	4	3	2	1	9
B.4 你對管理處喺處理邨內公眾地方非法小販擺賣嘅工作表現滿唔滿意呢？	5	4	3	2	1	9

・保安

(讀出)	非常容易	幾容易	一般/普通	唔係幾容易	非常唔容易	未遇過/冇意見（不可讀出）
.1 當你需要協助時，你容唔容易搵到護衛員幫手呢？	5	4	3	2	1	9

	非常滿意	幾滿意	一般/普通	唔係幾滿意	非常唔滿意	未遇過/冇意見（不可讀出）
.2 你對大廈護衛員喺管理出入人事方面嘅工作表現滿唔滿意呢？	5	4	3	2	1	9
.3 總括嚟講，你對大廈護衛員嘅工作表現滿唔滿意呢？	5	4	3	2	1	9

D・維修及保養

(讀出)	非常滿意	幾滿意	一般/普通	唔係幾滿意	非常唔滿意	未遇過/冇意見（不可讀出）
D.1 你對管理處嗦協助處理下列五項公共設施維修保養嘅工作滿唔滿意呢？						
(a) 公共天線（不包有線電視接收）	5	4	3	2	1	9
(b) 升降機	5	4	3	2	1	9
(c) 消防設施	5	4	3	2	1	9
(d) 保安系統（如地下大堂電閘同埋閉路電視）	5	4	3	2	1	9
(e) 公共地方照明系統	5	4	3	2	1	9
D.2 你對管理處嗦協助處理室內設備維修保養嘅工作滿唔滿意呢？（包括沖廁系統同埋食水喉）	5	4	3	2	1	9
D.3 你對管理處嗦處理邨內公共地方去水系統淤塞時嘅效率滿唔滿意呢？	5	4	3	2	1	9
D.4 你對邨內所有設施（包括遊戲、康樂設施及休憩地方，但不包括街市及商場）嘅維修滿唔滿意呢？	5	4	3	2	1	9

E・整體滿意程度

(讀出)	非常滿意	幾滿意	一般/普通	唔係幾滿意	非常唔滿意	未遇過/冇意見（不可讀出）
E.1 整體嚟講(包括保安、維修、管理及環境)，你對管理處嘅工作滿唔滿意呢？	5	4	3	2	1	9

結束訪問，多謝被訪者

Annex 11
(para. 3.12)

Responsibilities of PSA Review Committee

(a) to advise and make recommendations on the performance and capability of PSAs in relation to existing contracts;

(b) to review and oversee the operation and improvement of the PSA monitoring system and make recommendations for its future development and improvement;

(c) to review the Performance Assessment Reports submitted by the Senior PSMs and to make recommendations relating to disciplinary action; and

(d) to prepare and publish comparative performance ratings of PSAs and estates.

Source: Adapted from Property Services Company Administration Manual

Annex 12
(para. 3.14)

Example of PSA League Table

	Name of PSA	Overall Score Maximum: 100	
<u>Band A</u> Full Tender Opportunities		53.77	
		↑	
		│	
		│	Top Quartile
		│	
		↓	
		51.94	
<u>Band B</u> Limited Tender Opportunities		51.66	
		↑	
		│	
		│	
		│	
		│	
		│	Middle Quartiles
		│	
		│	
		│	
		↓	
		50.27	
<u>Band C</u> Debarred from Tendering		50.15	
		↑	
		│	
		│	Bottom Quartile
		│	
		↓	
		45.85	

Source: Adapted from HD league table for PSAs